

EPA Clean Power Plans and Energy Performance Contracting: A Fit?

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Energy Services Coalition

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- *In Conjunction with SEOs of Virginia, Kentucky, Georgia for DOE SEP Contract*

Virginia, Kentucky, Georgia Seek Common Protocols, Approach to EM&V

- Four of the Issues Introduced Today
 - Can a balance be struck among ESCOs, customers, and EPA compliance requirements so fee margins can work for carbon credits?
 - Will tools such as E Project Builder force ESCO compliance that EPA can accept
 - What resources and funding sources can enable statewide catalogueing of standardized EM&V, including for local governments
 - Will the low income double incentives from EPA plus recent HUD actions induce ESCO involvement in MF sector?

Will EM&V Required for EM&V by EPA Pay for Itself?

- Two decades ago NO_x and SO_x monitoring requirements by EPA cost more than ESCOs could justify, so didn't play in that market;
- EPA final rule seeks third party monitoring, every 3-5 year reverification, among other mandates
- Many public sector customers seek short-term EM&V contracts, and unwilling to pay much
- If especially local governments are going to be qualified, then the dollar value of carbon credits can make decisive difference in ESCO willingness to cooperate

What Impact will E Project Builder Have?

- Aggregate benchmarking and individual project reporting (see above)
- Convincing other executive, legislative and regulatory agencies of ESPC benefits and costs
- Standardizing contract schedules to assist proposal evaluation and contract negotiation
- Providing transparent, non-proprietary calculations in project financial schedules
- Tracking performance of projects in a standardized format
- Generating reports in standard or custom forms
- FEMP will require for federal projects next year

What Resources will States have to Register, Keep Track of EM&V Data Everywhere?

- State Registries Envisioned, not now a reality
- Where in state government would Registry reside?
- How will it be paid for?
 - Initial Collection
 - Periodic Updates

Possibilities

Added Fee to Deal Financing

Ratepayer Financed

State Appropriation or Fee on Energy Procurement

Low Income Double Payment Opportunity

- In 2019-2020 Projects in Low Income Communities earn 2x MWH/GHG Incentives
- HUD Now offering PACE incentives, On-bill financing options as eligible for Assisted Housing properties
- PHAs already incented to do EE/Renewable projects
- Incentives for Rental Assistance Demonstration/PHA Conversion to Section 8 undermine PHA incentives
- Single Family Incentives will require On-bill, PACE, other program design and delivery elements
- Utilities important partners for this program element; so too Weatherization Assistance Program